



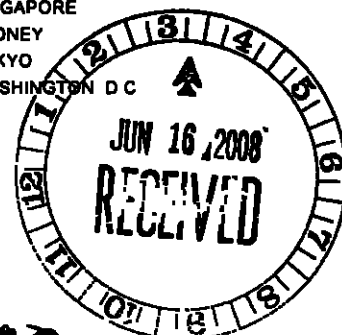
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June 16, 2008

By Hand and Certified Mail

Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423

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222 620

Re **Central Oregon & Pacific Railroad, Inc., AB-515 (Sub-No. 2) – Notice of Intent to Abandon And/Or Discontinue Service**

Dear Secretary Quinlan

Pursuant to 49 C.F.R. §§ 1151.20, enclosed for filing are three copies of the Central Oregon & Pacific Railroad, Inc.'s ("CORP") Notice of Intent to Abandon And/Or Discontinue Service. CORP expects to file an Application in this proceeding to abandon and/or discontinue service on the Coos Bay Subdivision on or about July 14, 2008.

CORP is in the process of completing all requirements for the service, publication, and posting of this Notice in accordance with 49 C.F.R. § 1152.20(a)(2-4). CORP will file an affidavit of its compliance with these service, posting, and publication requirements with its Application.

If you have any questions about this filing, please contact me

Very truly yours,

Terence M. Hynes

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Enclosures

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STB No. AB-515 (Sub-No. 2)

NOTICE OF INTENT TO ABANDON AND/OR DISCONTINUE SERVICE

The Central Oregon & Pacific Railroad, Inc. ("CORP") gives notice that on or about July 14, 2008 it intends to file with the Surface Transportation Board, Washington, D.C. 20423, an Application for permission for the abandonment of, and/or discontinuance of service on, a line of railroad known as the Coos Bay Subdivision, which consists of (1) the Coos Bay Branch (which is owned by CORP), and (2) the Coquille Branch and LPN Branch (which are leased by CORP).

The Application will seek authority to abandon the portions of the Coos Bay Subdivision that are owned by CORP, namely the Coos Bay Branch extending from railroad milepost 669 0 near Richardson, Oregon up to rail milepost 763 13 near Cordes, Oregon, which traverses United States Postal Service ZIP Codes 97439, 97441, 97449, 97453, 97459, 97461, 97467, 97480, 97487, 97490, and 97493, a distance of 94.13 miles, in Coos, Douglas, and Lane Counties, Oregon. The portion of the line proposed for abandonment includes the stations of Richardson (MP 685 0), Swisshome (MP 697 1); Suislaw (MP 697.8); Tide (MP 699 2), Beck (MP 709.0); Wendson (MP 715.0); Cushman (MP 716.0); Canary (MP 721 3), Kroll (MP 732 8), Gardiner Junction (MP 738 8); Reedsport (MP 740 4); Lakeside (MP 752.1), Hauser (MP 759.3); and Cordes (MP 763 0)

The Application also will seek authority to discontinue service over the portions of the Coos Bay Subdivision that are leased by CORP, namely (1) the Coquille Branch extending from railroad milepost 763.13 near Cordes, Oregon up to rail milepost 786.5 near Coquille, Oregon, which traverses United States Postal Service ZIP Codes 97420, 97423, and 97459, a distance of 23 37 miles, in Coos County, Oregon; and (2) the LPN Branch extending from CORP milepost

738.8 to LPN Branch milepost 2.0, which traverses United States Postal Service ZIP Code 97441, a distance of 2.0 miles, in Douglas County, Oregon. The Coquille Branch includes the stations of North Bend (MP 765.6), Coos Bay (MP 768.9), McCormac (MP 770.5), Hayden (MP 773.1), Chrome (MP 781.2), and Coquille (MP 785.6). The LPN Branch includes the station of Gardiner Junction (MP 738.8).

The reason for the proposed abandonment and discontinuance is that rail traffic and freight revenues on the Coos Bay Subdivision are insufficient to justify the costs of operation and ordinary maintenance of the line. In addition, certain tunnels on the line require extensive repairs in order to restore the line (which is currently embargoed) to a safe operating condition. There is no reasonable prospect that traffic and revenues will increase sufficiently in the foreseeable future to justify such extraordinary expense and continued operation of the line. Based on information in our possession, the Coos Bay Subdivision does contain federally granted rights-of-way. Any documentation in the railroad's possession will be made available promptly to those requesting it.

This line of railroad has appeared on CORP's system diagram map or was included in the narrative in Category 1 since May 8, 2008.

The interest of CORP's employees will be protected as required by 49 U.S.C. § 10903(b)(2) and *Oregon Short Line Co. – Abandonment – Goshen*, 360 I.C.C. 91 (1979).

The Application will include CORP's entire case for abandonment and discontinuance (case in chief). Any interested person, after the Application is filed on or about July 14, 2008, may file with the Surface Transportation Board written comments concerning the proposed abandonment and discontinuance or protests to it. These filings are due 45 days from the date of filing of the Application. All interested persons should be aware that following any

abandonment of rail service and salvage of the line, the line may be suitable for other public use, including interim trail use. Any request for a public use condition under 49 U.S.C. § 10905 (Section 1152.28 of the Board's rules) and any request for a trail use condition under 16 U.S.C. § 1247(d) (Section 1152.29 of the Board's rules) must also be filed within 45 days from the date of filing of the Application. Persons who may oppose the abandonment or discontinuance but who do not wish to participate fully in the process by appearing at any oral hearings or by submitting verified statements of witnesses, containing detailed evidence, should file comments. Persons interested only in seeking public use or trail use conditions should also file comments. Persons opposing the proposed abandonment or discontinuance that do wish to participate actively and fully in the process should file a protest.

Protests must contain that party's entire case in opposition (case in chief) including the following:

- (1) Protestant's name, address and business.
- (2) A statement describing protestant's interest in the proceeding including:
 - (i) A description of protestant's use of the line.
 - (ii) If protestant does not use the line, information concerning the group or public interest it represents, and
 - (iii) If protestant's interest is limited to the retention of service over a portion of the line, a description of the portion of the line subject to protestant's interest (with milepost designations if available) and evidence showing that the applicant can operate the portion of the line profitably, including an appropriate return on its investment for those operations.

(3) Specific reasons why protestant opposes the application including information regarding protestant's reliance on the involved service [this information must be supported by affidavits of persons with personal knowledge of the fact(s)].

(4) Any rebuttal of material submitted by applicant

In addition, a commenting party or protestant may provide a statement of position and evidence regarding:

- (i) Intent to offer financial assistance pursuant to 49 U.S.C. § 10904;
- (ii) Environmental impact;
- (iii) Impact on rural and community development.
- (iv) Recommended provisions for protection of the interests of employees.
- (v) Suitability of the properties for other public purposes pursuant to 49 U.S.C. § 10905; and
- (vi) Prospective use of the right-of-way for interim trail use and rail banking under 16 U.S.C. § 1247(d) and § 1152.29 of the Board's rules.

A protest may demonstrate that: (1) the protestant filed a feeder line application under 49 U.S.C. § 10907; (2) the feeder line application involves any portion of the rail line involved in the abandonment or discontinuance application; (3) the feeder line application was filed prior to the date the abandonment or discontinuance application was filed; and (4) the feeder line application is pending before the Board.

Written comments and protests will be considered by the Board in determining what disposition to make of the Application. The commenting party or protestant may participate in the proceeding as its interests may appear.

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If an oral hearing is desired, the requester must make a request for an oral hearing and provide reasons why an oral hearing is necessary. Oral hearing requests must be filed with the Board no later than 10 days after the application is filed.

Those parties filing protests to the proposed abandonment (or discontinuance) should be prepared to participate actively either in an oral hearing or through the submission of their entire opposition case in the form of verified statements and arguments at the time they file a protest. Parties seeking information concerning the filing of protests should refer to § 1152.25 of the Board's rules.

Written comments and protests, including all requests for public use and trail use conditions, should indicate the proceeding designation STB No. AB 515 (Sub-No. 2) and must be filed with the Secretary, Surface Transportation Board, Washington, DC 20423, no later than August 28, 2008. Interested persons may file a written comment or protest with the Board to become a party to this abandonment and discontinuance proceeding. A copy of each written comment or protest shall be served upon the representative of CORP. Terence M. Hynes, Sidley Austin LLP, 1501 K Street, NW, Washington, DC 20005, Telephone: 202-736-8000, Facsimile, 202-736-8711. The original and 10 copies of all comments or protests shall be filed with the Board with a certificate of service. Except as otherwise set forth in part 1152, each document filed with the Board must be served on all parties to the abandonment proceeding. 49 C.F.R. § 1104.12(a).

The line sought to be abandoned and discontinued will be available for subsidy or sale for continued rail use, if the Board decides to permit the abandonment and discontinuance, in accordance with applicable laws and regulations (49 U.S.C. § 10904 and 49 C.F.R. § 1152.27). No subsidy arrangement approved under 49 U.S.C. § 10904 shall remain in effect for more than

1 year unless otherwise mutually agreed by the parties (49 U.S.C. § 10904(i)(4)(B)). CORP will promptly provide upon request to each interested party an estimate of the subsidy and minimum purchase price required to keep the line in operation. CORP's representative to whom inquiries may be made concerning sale or subsidy terms is Terence M. Hynes, Sidley Austin LLP, 1501 K Street, NW, Washington, DC 20005, telephone 202-736-8000, facsimile 202-736-8711.

Persons seeking further information concerning abandonment procedures may contact the Surface Transportation Board or refer to the full abandonment or discontinuance regulations at 49 C.F.R. part 1152. Questions concerning environmental issues may be directed to the Board's Section of Environmental Analysis.

A copy of the Application will be available for public inspection on or after July 14, 2008 at the following agency station through which business for the line is received or forwarded: Customer Service Center, Central Oregon & Pacific Railroad, 333 S.E. Mosher, Roseburg, OR 97470, Contact: Don Taylor. The Application will be available for inspection from 8:00 AM to 5:00 PM Pacific Standard Time, Monday through Friday. The carrier shall furnish a copy of the Application to any interested person proposing to file a protest or comment, upon request.

An environmental assessment ("EA") (or environmental impact statement ("EIS"), if necessary) prepared by the Section of Environmental Analysis will be served upon all parties of record and upon any agencies or other persons who commented during its preparation. Any other persons who would like to obtain a copy of the EA (or EIS) may contact the Section of Environmental Analysis. EAs in these abandonment proceedings normally will be made available within 33 days of the filing of the application. The deadline for submission of comments on the EA will generally be within 30 days of its service. The comments received will

be addressed in the Board's decision. A supplemental EA or EIS may be issued where appropriate.